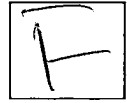


**ARIZONA CORPORATION COMMISSION**  
**UTILITIES DIVISION**

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY



W-01654A  
Farmers Water Co  
PO Box 7  
Sahuarita, AZ 85629

RECEIVED

ARIZONA CORPORATION COMMISSION  
Utilities Division

**ANNUAL REPORT**

**FOR YEAR ENDING**

9	30	2006
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FOR COMMISSION USE

ANN 04	06
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PROCESSED BY:

4-11-07RF

SCANNED

## COMPANY INFORMATION

<b>Company Name (Business Name)</b> <u>FARMERS WATER CO</u>		
<b>Mailing Address</b> <u>P O BOX 7 (1525 E SAHUARITA RD)</u>		
<u>SAHUARITA</u> (City)	<u>AZ</u> (State)	<u>85629</u> (Zip)
<u>520-879-7474</u> Telephone No. (Include Area Code)	<u>520-791-2853</u> Fax No. (Include Area Code)	<u>N/A</u> Pager/Cell No. (Include Area Code)
<b>Email Address</b> <u>N/A</u>		
<b>Local Office Mailing Address</b> <u>PO BOX 7 (1525 E SAHUARITA RD)</u>		
<u>SAHUARITA</u> (City)	<u>AZ</u> (State)	<u>85629</u> (Zip)
<u>520-879-7474</u> Local Office Telephone No. (Include Area Code)	<u>520-791-2853</u> Fax No. (Include Area Code)	<u>N/A</u> Pager/Cell No. (Include Area Code)
<b>Email Address</b> <u>N/A</u>		

## MANAGEMENT INFORMATION

<b>Management Contact:</b> <u>WARREN E CULBERTSON</u>			<u>CEO</u>
<u>(Name)</u>		<u>(Title)</u>	
<u>1525 E SAHUARITA RD</u> (Street)	<u>SAHUARITA</u> (City)	<u>AZ</u> (State)	<u>85629</u> (Zip)
<u>520-879-7473</u> Telephone No. (Include Area Code)	<u>520-791-2853</u> Fax No. (Include Area Code)	<u>520-400-2111</u> Pager/Cell No. (Include Area Code)	
<b>Email Address</b> <u>N/A</u>			
<b>On Site Manager:</b> <u>JOHN (JACK) MILLER</u>			
<u>(Name)</u>			
<u>1525 E SAHUARITA RD</u> (Street)	<u>SAHUARITA</u> (City)	<u>AZ</u> (State)	<u>85629</u> (Zip)
<u>520-879-7432</u> Telephone No. (Include Area Code)	<u>520-791-2853</u> Fax No. (Include Area Code)	<u>520-444-7820</u> Pager/Cell No. (Include Area Code)	
<b>Email Address</b> <u>N/A</u>			

☒ Please mark this box if the above address(es) have changed or are updated since the last filing.

**Statutory Agent:** T PATRICK GRIFFIN

(Name)

ONE SOUTH CHURCH

(Street)

TUCSON

(City)

AZ

(State)

85701

(Zip)

520-791-3836

Telephone No. (Include Area Code)

520-624-5080

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

**Attorney:** SAME AS ABOVE

(Name)

(Street)

(City)

(State)

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

### OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ Sole Proprietor (S)

☐ C Corporation (C) (Other than Association/Co-op)

☐ Partnership (P)

☒ Subchapter S Corporation (Z)

☐ Bankruptcy (B)

☐ Association/Co-op (A)

☐ Receivership (R)

☐ Limited Liability Company

☐ Other (Describe) \_\_\_\_\_

### COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☐ APACHE

☐ COCHISE

☐ COCONINO

☐ GILA

☐ GRAHAM

☐ GREENLEE

☐ LA PAZ

☐ MARICOPA

☐ MOHAVE

☐ NAVAJO

☒ PIMA

☐ PINAL

☐ SANTA CRUZ

☐ YAVAPAI

☐ YUMA

☐ STATEWIDE

**UTILITY PLANT IN SERVICE**

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	-	-	-
302	Franchises	6,893		6,893
303	Land and Land Rights	-	-	-
304	Structures and Improvements	17,319	12,061	5,258
307	Wells and Springs	195,640	106,333	89,307
311	Pumping Equipment	160,570	123,131	37,439
320	Water Treatment Equipment	10,288	9,177	1,111
330	Distribution Reservoirs and Standpipes	451,289	338,987	112,302
331	Transmission and Distribution Mains	5,899,095	1,108,626	4,790,469
333	Services	776,364	121,114	655,250
334	Meters and Meter Installations	148,138	86,354	61,784
335	Hydrants	189,866	44,553	145,313
336	Backflow Prevention Devices	-	-	-
339	Other Plant and Misc. Equipment	-	-	-
340	Office Furniture and Equipment	54,488	27,148	27,340
341	Transportation Equipment	42,219	17,100	25,119
343	Tools, Shop and Garage Equipment	-	-	-
344	Laboratory Equipment	-	-	-
345	Power Operated Equipment	-	-	-
346	Communication Equipment	-	-	-
347	Miscellaneous Equipment	-	-	-
348	Other Tangible Plant	-	-	-
	<b>TOTALS</b>	<b>7,952,169</b>	<b>1,994,584</b>	<b>5,957,585</b>

This amount goes on the Balance Sheet Acct. No. 108



**CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR**

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization	-	-	-
302	Franchises	6,893	-	-
303	Land and Land Rights	-	-	-
304	Structures and Improvements	17,319	3.95%	684
307	Wells and Springs	195,640	4.07%	7,971
311	Pumping Equipment	160,570	4.47%	7,183
320	Water Treatment Equipment	10,288	4.39%	452
330	Distribution Reservoirs and Standpipes	451,289	3.98%	17,966
331	Transmission and Distribution Mains	5,899,095	3.44%	203,046
333	Services	776,364	3.39%	26,321
334	Meters and Meter Installations	148,138	8.41%	12,458
335	Hydrants	189,866	3.32%	6,305
336	Backflow Prevention Devices	-	-	-
339	Other Plant and Misc. Equipment	-	-	-
340	Office Furniture and Equipment	54,488	12.20%	6,650
341	Transportation Equipment	42,219	16.76%	7,076
343	Tools, Shop and Garage Equipment	-	-	-
344	Laboratory Equipment	-	-	-
345	Power Operated Equipment	-	-	-
346	Communication Equipment	-	-	-
347	Miscellaneous Equipment	-	-	-
348	Other Tangible Plant	-	-	-
	<b>TOTALS</b>	<b>7,952,169</b>		<b>296,112</b>

This amount goes on the Comparative Statement of Income and Expense \_\_\_\_\_  
 Acct. No. 403.

**BALANCE SHEET**

Acct .No.		09/30/05	09/30/06
		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>ASSETS</b>		
	<b>CURRENT AND ACCRUED ASSETS</b>		
131	Cash	\$ (31,322)	\$ (1,213)
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	44,004	7,876
146	Notes/Receivables from Associated Companies	836,783	881,076
151	Plant Material and Supplies		
162	Prepayments	6,037	(871)
174	Miscellaneous Current and Accrued Assets		
	<b>TOTAL CURRENT AND ACCRUED ASSETS</b>	\$ 855,502	\$ 886,868
	<b>FIXED ASSETS</b>		
101	Utility Plant in Service	\$ 6,699,478	\$ 7,952,169
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	(1,705,475)	(1,994,584)
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	<b>TOTAL FIXED ASSETS</b>	\$ 4,994,003	\$ 5,957,585
	<b>TOTAL ASSETS</b>	\$ 5,849,505	\$ 6,844,453

**NOTE:** The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

**BALANCE SHEET (CONTINUED)**

<b>Acct. No.</b>		<b>BALANCE AT BEGINNING OF YEAR</b>	<b>BALANCE AT END OF YEAR</b>
	<b>LIABILITIES</b>		
	<b>CURRENT LIABILITIES</b>		
231	Accounts Payable	\$ 8,264	\$ 10,811
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits		
236	Accrued Taxes		
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities	29,197	37,149
	<b>TOTAL CURRENT LIABILITIES</b>	<b>\$ 37,460</b>	<b>\$ 47,960</b>
	<b>LONG-TERM DEBT (Over 12 Months)</b>		
224	Long-Term Notes and Bonds	\$	\$
	<b>DEFERRED CREDITS</b>		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction	5,653,208	6,830,688
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction	333,683	333,271
272	Less: Amortization of Contributions	(52,044)	(52,292)
281	Accumulated Deferred Income Tax		
	<b>TOTAL DEFERRED CREDITS</b>	<b>\$ 5,934,847</b>	<b>\$ 7,111,667</b>
	<b>TOTAL LIABILITIES</b>	<b>\$ 5,972,307</b>	<b>\$ 7,159,627</b>
	<b>CAPITAL ACCOUNTS</b>		
201	Common Stock Issued	\$ 2,500	\$ 2,500
211	Paid in Capital in Excess of Par Value	497,500	497,500
215	Retained Earnings	(622,802)	(622,802)
218	Proprietary Capital (Sole Props and Partnerships)		
	<b>TOTAL CAPITAL</b>	<b>\$ (122,802)</b>	<b>\$ (122,802)</b>
	<b>TOTAL LIABILITIES AND CAPITAL</b>	<b>\$ 5,849,505</b>	<b>\$ 6,844,453</b>

**COMPARATIVE STATEMENT OF INCOME AND EXPENSE**

Acct. No.	OPERATING REVENUES	09/30/05	09/30/06
		PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 442,659	\$ 461,329
460	Unmetered Water Revenue		
474	Other Water Revenues	12,430	5,797
	<b>TOTAL REVENUES</b>	\$ 455,089	\$ 467,126
	<b>OPERATING EXPENSES</b>		
601	Salaries and Wages	\$ 159,037	\$ 184,654
610	Purchased Water		
615	Purchased Power	15,685	21,209
618	Chemicals		
620	Repairs and Maintenance	23,088	97,575
621	Office Supplies and Expense	19,720	18,641
630	Outside Services	45,564	31,955
635	Water Testing	8,784	12,500
641	Rents		
650	Transportation Expenses	2,638	4,273
657	Insurance – General Liability	2,347	3,327
659	Insurance - Health and Life	12,883	16,021
666	Regulatory Commission Expense – Rate Case		
675	Miscellaneous Expense	12,321	4,487
403	Depreciation Expense/Amortization (\$52K)	199,332	243,727
408	Taxes Other Than Income		
408.11	Property Taxes	18,187	21,128
409	Income Tax		
	<b>TOTAL OPERATING EXPENSES</b>	\$ 519,586	\$ 659,497
	<b>OPERATING INCOME/(LOSS)</b>	\$ (64,499)	\$ (192,372)
	<b>OTHER INCOME/(EXPENSE)</b>		
419	Interest and Dividend Income	\$	\$
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense		
	<b>TOTAL OTHER INCOME/(EXPENSE)</b>	\$ 0	\$
	<b>NET INCOME/(LOSS)</b>	\$ (64,497)	\$ (192,371)



**SUPPLEMENTAL FINANCIAL DATA****Long-Term Debt**

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	NONE			
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate	%	%	%	%
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

Meter Deposit Balance at Test Year End \$ \_\_\_\_\_

Meter Deposits Refunded During the Test Year \$ \_\_\_\_\_

<b>COMPANY NAME</b>	FARMERS WATER CO	12/31 /2006
<b>Name of System</b>	PWS 10048	<b>ADEQ Public Water System Number (if applicable)</b>

### **WATER COMPANY PLANT DESCRIPTION**

SAHUARITA

#### **WELLS**

<b>ADWR ID Number*</b>	<b>Pump Horsepower</b>	<b>Pump Yield (gpm)</b>	<b>Casing Depth (Feet)</b>	<b>Casing Diameter (Inches)</b>	<b>Meter Size (inches)</b>	<b>Year Drilled</b>
55-534922(S-52A)	30	220	1520	8	4	1993
55-624001(S-52)	125	550	1200	14/12	8	1974

\* Arizona Department of Water Resources Identification Number

#### **OTHER WATER SOURCES**

<b>Name or Description</b>	<b>Capacity (gpm)</b>	<b>Gallons Purchased or Obtained (in thousands)</b>
None		

<b>BOOSTER PUMPS</b>		<b>FIRE HYDRANTS</b>	
<b>Horsepower</b>	<b>Quantity</b>	<b>Quantity Standard</b>	<b>Quantity Other</b>
15	2	-0-	-0-
3/4	1		

<b>STORAGE TANKS</b>		<b>PRESSURE TANKS</b>	
<b>Capacity</b>	<b>Quantity</b>	<b>Capacity</b>	<b>Quantity</b>
17,500 gallons	2	5,000 gallons	1

*Note: If you are filing for more than one system, please provide separate sheets for each system.*

<b>COMPANY NAME</b>	FARMERS WATER CO	12/31 /2006
<b>Name of System</b>	PWS 10049	<b>ADEQ Public Water System Number (if applicable)</b>

### WATER COMPANY PLANT DESCRIPTION

CONTINENTAL

#### WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-624012(E-5A)	75	500	520	16	8	1959
55-624011(E-3A)	125	1025	1100±	18/16 14/10	8	1975
55-210420(E-17)	50	500 est	800	12 3/4	6	2006

\* Arizona Department of Water Resources Identification Number

#### OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
60	2	167	
30	3	Includes (a) Madera Reserve (b) Madera Shadows I & II (c) Pasadena (d) Colonia Real (e) CSS, MSS, MPI, Vet (f) Foothill Estates (g) All of Park Centreas of this date	
25	1		
20	2		
15 3/4	1		
		(h) Madera Highlands, Phase I	

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
1,000,000 gallons	1	5,000 gallons	3
75,000 gallons	1	5,000 gallons	1

*Note: If you are filing for more than one system, please provide separate sheets for each system.*

<b>COMPANY NAME</b>	FARMERS WATER CO	12/31 /2006
<b>Name of System</b>	NP-2	<b>ADEQ Public Water System Number (if applicable)</b>

### WATER COMPANY PLANT DESCRIPTION

NP-2

#### WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-624028	10	35	375	16	2	1977

\* Arizona Department of Water Resources Identification Number

#### OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
3	1	-0-	-0-

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
8,000 gallons	1	5,000 gallons	1

*Note: If you are filing for more than one system, please provide separate sheets for each system.*

<b>COMPANY NAME</b>	FARMERS WATER CO	12/31 /2006
<b>Name of System</b>	PWS 10213	<b>ADEQ Public Water System Number (if applicable)</b>

## WATER COMPANY PLANT DESCRIPTION

SANTA RITA SPRINGS

### WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-624025 (W-11)	200	1900	1186	18/16	12	1974

\* Arizona Department of Water Resources Identification Number

### OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
50	2	110	
25	1		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
1,000,000 gallons -	1	5,000 gallons	1
		10,000 gallons	1

*Note: If you are filing for more than one system, please provide separate sheets for each system.*

<b>COMPANY NAME</b>	<b>FARMERS WATER CO</b>	<b>12/31 /2006</b>
<b>Name of System</b>	<b>PWS10414</b>	<b>ADEQ Public Water System Number (if applicable)</b>

### **WATER COMPANY PLANT DESCRIPTION**

SAHUARITA HIGHLANDS

#### **WELLS**

<b>ADWR ID Number*</b>	<b>Pump Horsepower</b>	<b>Pump Yield (gpm)</b>	<b>Casing Depth (Feet)</b>	<b>Casing Diameter (Inches)</b>	<b>Meter Size (inches)</b>	<b>Year Drilled</b>
55-201058	30	200	600'	12 3/4	4"	2004

\* Arizona Department of Water Resources Identification Number

#### **OTHER WATER SOURCES**

<b>Name or Description</b>	<b>Capacity (gpm)</b>	<b>Gallons Purchased or Obtained (in thousands)</b>

<b>BOOSTER PUMPS</b>		<b>FIRE HYDRANTS</b>	
<b>Horsepower</b>	<b>Quantity</b>	<b>Quantity Standard</b>	<b>Quantity Other</b>
10	1	38	
25	1		
50	1		

<b>STORAGE TANKS</b>		<b>PRESSURE TANKS</b>	
<b>Capacity</b>	<b>Quantity</b>	<b>Capacity</b>	<b>Quantity</b>
200,500 gallons	1	5,000 gallons	1

*Note: If you are filing for more than one system, please provide separate sheets for each system.*

COMPANY NAME FARMERS WATER CO		12/31 /2006
Name of System PWS 10048	ADEQ Public Water System Number (if applicable)	

SAHUARITA

### WATER COMPANY PLANT DESCRIPTION (CONTINUED)

#### MAINS

Size (in inches)	Material	Length (in feet)
2		2971
3	iron	1624
4	iron	1722
5	iron	
6	DIP	377
8	DIP	
10	DIP	
12	DIP	296
4	PVC	3822
6	PVC	2681
8	PVC	3785
12		

#### CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	104
3/4	
1	7
1 1/2	1
2	1
Comp. 3	
Turbo 3	
Comp. 4	1
Tubo 4	
Comp. 6	
Tubo 6	

**For the following three items, list the utility owned assets in each category for each system.**

#### TREATMENT EQUIPMENT:

One chlorine tablet injection station at Sahuarita Booster.

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#### STRUCTURES:

S-52 Well Site 6' chain link fence 96' perimeter

S-52A Well Site 6' chain link fence 90' perimeter

Sahuarita Booster & Storage Site 245' perimeter 6' chain link fence.

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#### OTHER:

Two (2) Ford F-150 Pickups

One (1) Ford F-250 Small truck

One (1) Mercury Grand Marquis

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**Note: If you are filing for more than one system, please provide separate sheets for each system.**

Name of System: PWS 10049 &amp; NP-2 ADEQ Public Water System Number (if applicable)

CONTINENTAL &amp; NP-2

**WATER COMPANY PLANT DESCRIPTION (CONTINUED)**Note: DIP is  
ductile iron pipe

MAINS		TOTAL
Size (in inches)	Material	Length (in feet)
2	Iron	1386
3	Iron	1755
4	Iron	1935
5		
6	DIP	2882
8	DIP	766
10		
12	DIP	4205
16	DIP	3319
4	PVC	10061
6	PVC	19733
8	PVC	60263
12	PVC	8746
16	PVC	600

CUSTOMER METERS	
Size (in inches)	Quantity
5/8 X 3/4	232
3/4	
1	123
1 1/2	14
2	30
Comp. 3	1
Turbo 3	
Comp. 4	
Tubo 4	
Comp. 6	2
Tubo 6	

For the following three items, list the utility owned assets in each category for each system.

## TREATMENT EQUIPMENT:

3/2 chlorine tablet injection stations

## STRUCTURES:

E-3A Wood 128 sq ft storage bldg, with 188 linear feet of 6' chain link fence

E-5A Wood 60 sqft storage bldg with 598 linear feet of 6' chain link fence

NP-2 well site has 108 linear feet of 6' chain link fence

Booster Station at Colonia Real has 451 linear feet of 6' high chain link fence

## OTHER:

Note: 2006 additions included are

1- Madera Shadows II Lots 43-62

2- Madera Highlands Trunk water line to serve Phase I

3- Madera Highlands Villages 11,12,13,14,16,17,18,19,20,21,22&amp;23

Note: If you are filing for more than one system, please provide separate sheets for each system.



<b>COMPANY NAME FARMERS WATER CO</b>		12/31/2006
<b>Name of System</b> PWS 10213	<b>ADEQ Public Water System Number (if applicable)</b>	

SANTA RITA SPRINGS  
**WATER COMPANY PLANT DESCRIPTION (CONTINUED)**

2006 ADDITIONS

**MAINS**

Size (in inches)	Material	Length (in feet)
2		
3		
4	ACP	2727
6	ACP	2835
12	ACP	2723
8	DIP	90
10		
12	DIP	1080
4	PVC	6130
6	PVC	17355
8	PVC	12174
12	PVC	11811
16	PVC	

**CUSTOMER METERS**

Size (in inches)	Quantity
5/8 X 3/4	1426
3/4	
1	44
1 1/2	1
2	10
Comp. 3	1
Turbo 3	
Comp. 4	
Tubo 4	
Comp. 6	
Tubo 6	

**For the following three items, list the utility owned assets in each category for each system.**

**TREATMENT EQUIPMENT:**

1 chlorine tablet injection station

**STRUCTURES:**

1 60 sq ft storage building at booster station

Roadhaven booster station has 224 linear feet of 6' high chain link fence  
 W-11 well site has 143' linear 8" high block wall

**OTHER:**

Note: 2006 additions included are

1 - DeAnza Links II

*Note: If you are filing for more than one system, please provide separate sheets for each system.*

<b>COMPANY NAME</b> FARMERS WATER CO	12/31 /2006
<b>Name of System</b> 10414	<b>ADEQ Public Water System Number (if applicable)</b>

SAHUARITA HIGHLANDS

### WATER COMPANY PLANT DESCRIPTION (CONTINUED)

#### MAINS

Size (in inches)	Material	Length (in feet)
2		
3		
4	PVC	945
5		
6	PVC	2115
8	PVC	21850
10		
12	PVC	498

#### CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	4
3/4	
1	13
1 1/2	
2	
Comp. 3	
Turbo 3	
Comp. 4	
Tubo 4	
Comp. 6	
Tubo 6	

**For the following three items, list the utility owned assets in each category for each system.**

#### TREATMENT EQUIPMENT:

1 chlorine tablet injection system

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#### STRUCTURES:

Block wall 8' high with a perimeter of 606 feet.

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#### OTHER:

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***Note: If you are filing for more than one system, please provide separate sheets for each system.***

COMPANY NAME: FARMERS WATER CO		12/31 /2006
Name of System PWS 10048	ADEQ Public Water System Number (if applicable)	
SAHUARITA		

## WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2006

S-52 & 52A

MONTH/YEAR	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	92	3,003	2,379	-
FEBRUARY	95	4,231	4,562	-
MARCH	94	2,502	3,226	-
APRIL	95	2,717	2,933	-
MAY	101	4,184	3,389	-
JUNE	95	3,159	4,334	-
JULY	94	2,527	2,346	-
AUGUST	96	3,596	3,063	-
SEPTEMBER	95	2,528	3,584	-
OCTOBER	95	2,999	2,965	-
NOVEMBER	93	2,741	3,552	-
DECEMBER	93	3,473	2,346	-
TOTALS →		37,660	38,679	

What is the level of arsenic for each well on your system? <sup>S-52/</sup>5.8 ppb mg/l  
*(If more than one well, please list each separately.)* <sup>S-52A/</sup>4.2 ppb

If system has fire hydrants, what is the fire flow requirement? N/A GPM for N/A hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?  
☒ Yes                      ☐ No

Is the Water Utility located in an ADWR Active Management Area (AMA)?  
☒ Yes                      ☐ No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?  
☐ Yes                      ☒ No

If yes, provide the GPCPD amount: \_\_\_\_\_

*Note: If you are filing for more than one system, please provide separate data sheets for each system.*

<b>COMPANY NAME:</b> FARMERS WATER CO		12/31 /2006
<b>Name of System</b> PWS10049	<b>ADEQ Public Water System Number (if applicable)</b>	
<u>CONTINENTAL</u>		

### WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2006

E-5A

MONTH/YEAR	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	362	7,401	5,865	-
FEBRUARY	368	9,368	10,101	-
MARCH	368	8,339	10,753	-
APRIL	367	9,295	10,036	-
MAY	371	15,526	12,578	-
JUNE	372	13,064	17,922	-
JULY	373	13,379	12,415	-
AUGUST	405	11,131	9,482	-
SEPTEMBER	412	10,706	15,184	-
OCTOBER	448	13,185	13,034	-
NOVEMBER	461	12,877	16,684	-
DECEMBER	515	13,168	8,896	-
<b>TOTALS →</b>		137,439	142,950	-

**What is the level of arsenic for each well on your system?** 6.3 ppb **mg/l**  
*(If more than one well, please list each separately.)*

**If system has fire hydrants, what is the fire flow requirement?** 1000 **GPM** for 2 **hrs**

**If system has chlorination treatment, does this treatment system chlorinate continuously?**  
☒ **Yes**                      ☐ **No**

**Is the Water Utility located in an ADWR Active Management Area (AMA)?**  
☒ **Yes**                      ☐ **No**

**Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?**  
☐ **Yes**                      ☒ **No**

**If yes, provide the GPCPD amount:** \_\_\_\_\_

*Note: If you are filing for more than one system, please provide separate data sheets for each system.*

<b>COMPANY NAME:</b>	FARMERS WATER CO	12/31 /2006
<b>Name of System</b>	PWS 10213	<b>ADEQ Public Water System Number (if applicable)</b>
	SANTA RITA SPRINGS	

### WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2006

W-11

MONTH/YEAR	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	1313	7,121	6,810	-
FEBRUARY	1325	8,713	10,623	-
MARCH	1321	6,680	9,222	-
APRIL	1323	7,643	7,104	-
MAY	1318	8,383	8,211	-
JUNE	1319	7,766	9,547	-
JULY	1319	7,674	7,462	-
AUGUST	1328	8,017	6,126	-
SEPTEMBER	1324	6,356	8,374	-
OCTOBER	1330	6,578	6,713	-
NOVEMBER	1325	7,089	8,863	-
DECEMBER	1326	7,469	6,061	-
<b>TOTALS →</b>		89,489	95,116	

What is the level of arsenic for each well on your system? 7.7 ppb mg/l  
*(If more than one well, please list each separately.)*

If system has fire hydrants, what is the fire flow requirement? 1000 GPM for 2 hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?  
☒ Yes                      ☐ No

Is the Water Utility located in an ADWR Active Management Area (AMA)?  
☒ Yes                      ☐ No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?  
☐ Yes                      ☒ No

If yes, provide the GPCPD amount: \_\_\_\_\_

*Note: If you are filing for more than one system, please provide separate data sheets for each system.*

<b>COMPANY NAME:</b> FARMERS WATER CO		12/31/2006
<b>Name of System</b>	PWS 10414	<b>ADEQ Public Water System Number (if applicable)</b>
SAHUARITA HIGHLANDS, SECTION 28		

### WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2006

MONTH/YEAR	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY				
FEBRUARY				
MARCH				
APRIL				
MAY				
JUNE				
JULY				
AUGUST				
SEPTEMBER				
OCTOBER	17	97	56	
NOVEMBER	17	100	-	
DECEMBER	21	173	52	
<b>TOTALS →</b>		370	108	

Irrigation & Construction Only

**What is the level of arsenic for each well on your system?** 2.1 ppb **mg/l**  
*(If more than one well, please list each separately.)*

**If system has fire hydrants, what is the fire flow requirement?** 1000 **GPM for** 2 **hrs**

**If system has chlorination treatment, does this treatment system chlorinate continuously?**  
☒ **Yes**                      ☐ **No**

**Is the Water Utility located in an ADWR Active Management Area (AMA)?**  
☒ **Yes**                      ☐ **No**

**Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?**  
☐ **Yes**                      ☒ **No**

**If yes, provide the GPCPD amount:** \_\_\_\_\_

*Note: If you are filing for more than one system, please provide separate data sheets for each system.*

COMPANY NAME FAMERS WATER CO

YEAR ENDING

09/30/06  
12/31/2006

**PROPERTY TAXES**

Amount of actual property taxes paid during Calendar Year 2006 was: \$ 21,079.29 (FISCAL YEAR)  
20,814.74 (CALENDAR YEAR)

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

VENDOR ID	NAME	PAYMENT NUMBER	CHECK DATE	
BETH001	BETH FORD	00000000000001447	11/1/2006	130
INVOICE #	DATE	DESCRIPTION	GROSS AMOUNT	AMOUNT PAID
3035418109	10/1/2006	1ST HALF 2006 TAXES		
30418092F1	10/1/2006	1ST HALF 2006 TAXES	\$9.36	\$9.36
30418092G0	10/1/2006	1ST HALF 2006 TAXES	\$10.80	\$10.80
30418097D8	10/1/2006	1ST HALF 2006 TAXES	\$10.80	\$10.80
3041893907	10/1/2006	1ST HALF 2006 TAXES	\$10.80	\$10.80
30418098E0	10/1/2006	1ST HALF 2006 TAXES	\$12.95	\$12.95
3041894308	10/1/2006	1ST HALF 2006 TAXES	\$12.95	\$12.95
3041894205	10/1/2006	1ST HALF 2006 TAXES	\$10.80	\$10.80
30481082B8	10/1/2006	1ST HALF 2006 TAXES	\$10.80	\$10.80
9096390105	10/1/2006	1ST HALF 2006 TAXES	\$5.27	\$5.27
9096300205	10/1/2006	1ST HALF 2006 TAXES	\$8,424.05	\$8,424.05
9096390002	10/1/2006	1ST HALF 2006 TAXES	\$694.60	\$694.60
			\$1,062.35	\$1,062.35

COMMENT

Stub Totals: \$10,275.53 \$10,275.53

\*\*\* CONTINUED ON REMITTANCE \*\*\*

**FARMERS WATER CO.**

P.O. Box 7  
Sahuarita, AZ 85629-0007

Wells Fargo Bank Ohio, N.A.

56-382  
412

13002153

DATE

11/1/2006

AMOUNT

\$

\*\*\*\*\*10,283.95

PAY Ten Thousand Two Hundred Eighty Three Dollars And 95 Cents

CHECKS FOR AMOUNTS OVER \$5,000  
REQUIRE 2 SIGNATURES



TO THE ORDER OF BETH FORD  
PIMA COUNTY TREASURER  
P O BOX 98765  
PHOENIX AZ 85038-0765

BY

**NON-NEGOTIABLE**

AUTHORIZED SIGNATURES

MP

MP

130



VENDOR ID	NAME	PAYMENT NUMBER	CHECK DATE	130 01968	
BETH001	BETH FORD	00000000000001238	5/1/2006		
INVOICE #	DATE	DESCRIPTION	GROSS AMOUNT	AMOUNT PAID	
9096390105	10/1/2005	2ND HALF 2005 TAXES	\$8,238.18	\$8,238.18	
9096300205	10/1/2005	2ND HALF 2005 TAXES	\$769.28	\$769.28	
9096390002	10/1/2005	2ND HALF 2005 TAXES	\$1,477.86	\$1,477.86	
Stub Totals:			\$10,485.32	\$10,485.32	

COMMENT

**FARMERS WATER CO.**

P.O. Box 7  
Sahuarita, AZ 85629-0007

Wells Fargo Bank Ohio, N.A.

56-382  
412

130 01968

DATE

5/1/2006

AMOUNT

PAY Ten Thousand Four Hundred Eighty Five Dollars And 32 Cents

\$ \*\*\*\*\*10,485.32

CHECKS FOR AMOUNTS OVER \$5,000  
REQUIRE 2 SIGNATURES

TO THE  
ORDER  
OF  
BETH FORD  
PIMA COUNTY TREASURER  
P O BOX 98765  
PHOENIX AZ 85038-0765

BY \_\_\_\_\_ MP

BY \_\_\_\_\_ MP

**NON-NEGOTIABLE**

AUTHORIZED SIGNATURES

130 01968

000

0.00T

8,238.18+

769.28+

1,477.86+

003

10,485.32T

VENDOR ID	NAME	PAYMENT NUMBER	CHECK DATE
BETH001	BETH FORD	00000000000001127	11/1/2005
INVOICE #	DATE	DESCRIPTION	GROSS AMOUNT
30418092F1	10/1/2005	1ST HALF 2005 TAXES	\$11.84
30418092G0	10/1/2005	1ST HALF 2005 TAXES	\$11.84
30418097D8	10/1/2005	1ST HALF 2005 TAXES	\$11.84
3041893907	10/1/2005	1STHALF 2005 TAXES	\$14.03
30418098E0	10/1/2005	1ST HALF 2005 TAXES	\$14.03
3041894308	10/1/2005	1ST HALF 2005 TAXES	\$11.84
3041894205	10/1/2005	1ST HALF 2005 TAXES	\$11.84
9096390105	10/1/2005	1ST HALF 2005 TAXES	\$8,238.19
9096300205	10/1/2005	1ST HALF 2005 TAXES	\$769.28
9096390002	10/1/2005	1ST HALF 2005 TAXES	\$1,477.87
30465735B5	10/1/2005	1ST HALF 2005 TAXES	\$8.99
3035418109	10/1/2005	1ST HALF 2005 TAXES	\$12.38

COMMENT

130 01858

COMMENT

Stub Totals: \$10,593.97 \$10,593.97

**FARMERS WATER CO.**

P.O. Box 7  
Sahuarita, AZ 85629-0007

Wells Fargo Bank Ohio, N.A.

56-382  
412

130 01858

		DATE	AMOUNT
		11/1/2005	
<b>PAY</b> Ten Thousand Five Hundred Ninety Three Dollars And 97 Cents		\$	*****10,593.97
<b>TO THE ORDER OF</b> BETH FORD PIMA COUNTY TREASURER P O BOX 98765 PHOENIX AZ 85038-0765		CHECKS FOR AMOUNTS OVER \$5,000 REQUIRE 2 SIGNATURES	
		BY	MP
		<b>NON-NEGOTIABLE</b>	
		BY	MP
		AUTHORIZED SIGNATURES	

130 01858



REVENUE RECONCILIATION  
FISCAL YEAR TO CALENDAR YEAR

FISCAL YEAR OPERATING REVENUE 10/1/05 - 9/30/06  
AS REPORTED ON PAGE 8

467,126

LESS: REVENUE 10/1/05 - 12/31/05

(105,125)

ADD: REVENUE 10/1/06 - 12/31/06

135,122

SALES TAX MONIES BILLED 1/1/06 - 12/31/06

31,834

528,957

**VERIFICATION  
AND  
SWORN STATEMENT  
Taxes**

RECEIVED

**VERIFICATION**

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) <b>PIMA</b>
NAME (OWNER OR OFFICIAL) TITLE <b>WARREN E. CULBERTSON/CEO</b>
COMPANY NAME <b>FARMERS WATER CO.</b>

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2006

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

Warren E. Culbertson

SIGNATURE OF OWNER OR OFFICIAL

(520) 879-7474

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

5

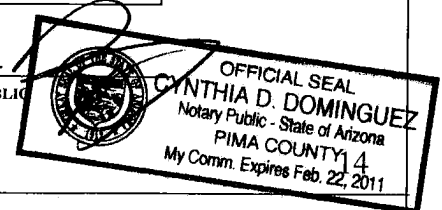
DAY OF

COUNTY NAME <b>PIMA</b>
MONTH <b>APRIL</b>
YEAR <b>2007</b>

(SEAL)

MY COMMISSION EXPIRES February 22, 2011

SIGNATURE OF NOTARY PUBLIC



COMPANY NAME FARMERS WATER CO

09/30/06  
YEAR ENDING 12/31/2006

**INCOME TAXES**

For this reporting period, provide the following:

Federal Taxable Income Reported  
Estimated or Actual Federal Tax Liability

**NOT APPLICABLE AS TAX RETURNS ARE  
FILED AS MEMBER OF A CONSOLIDATED  
GROUP WITH FARMERS INVESTMENT CO.**

State Taxable Income Reported  
Estimated or Actual State Tax Liability

\_\_\_\_\_  
\_\_\_\_\_

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances	<u>1,223,599.91</u>
Amount of Gross-Up Tax Collected	<u>0.00</u>
Total Grossed-Up Contributions/Advances	<u>1,223,599.91</u>

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

**CERTIFICATION**

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.



**SIGNATURE**

4/5/2007

**DATE**

WARREN E. CULBERTSON  
**PRINTED NAME**

CEO  
**TITLE**

RECEIVED

VZ 00411411  
Arizona Water

**VERIFICATION  
AND  
SWORN STATEMENT  
Intrastate Revenues Only**

**VERIFICATION**

**STATE OF ARIZONA**

**I, THE UNDERSIGNED**

**OF THE**

COUNTY OF (COUNTY NAME)	PIMA
NAME (OWNER OR OFFICIAL), TITLE	WARREN E. CULBERTSON, CEO
COMPANY NAME	FARMERS WATER CO.

**DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION**

**FOR THE YEAR ENDING**

MONTH	DAY	YEAR
12	31	2006

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

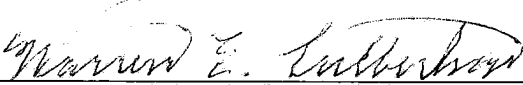
IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2006 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

**\$ 528,957**

**(THE AMOUNT IN BOX ABOVE  
INCLUDES \$ 31,834  
IN SALES TAXES BILLED, OR COLLECTED)**

**\*\*REVENUE REPORTED ON THIS PAGE MUST  
INCLUDE SALES TAXES BILLED OR  
COLLECTED. IF FOR ANY OTHER REASON,  
THE REVENUE REPORTED ABOVE DOES NOT  
AGREE WITH TOTAL OPERATING REVENUES  
ELSEWHERE REPORTED, ATTACH THOSE  
STATEMENTS THAT RECONCILE THE  
DIFFERENCE. (EXPLAIN IN DETAIL)**

  
SIGNATURE OF OWNER OR OFFICIAL  
(520) 879-7474

TELEPHONE NUMBER

**SUBSCRIBED AND SWORN TO BEFORE ME**

**A NOTARY PUBLIC IN AND FOR THE COUNTY OF**

**THIS**

**5**

**DAY OF**

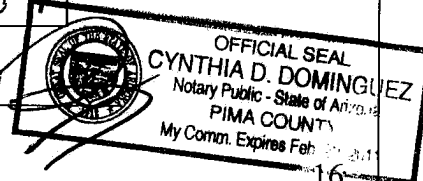
COUNTY NAME	PIMA
MONTH	APRIL
	2007

**(SEAL)**

  
SIGNATURE OF NOTARY PUBLIC

**MY COMMISSION EXPIRES**

**February 22, 2011**



VERIFICATION  
AND  
SWORN STATEMENT  
RESIDENTIAL REVENUE  
Intrastate Revenues Only

RECEIVED  
DHP COMM  
Water Utilities

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	PIMA	
NAME (OWNER OR OFFICIAL)	WARREN E. CULBERTSON	TITLE CEO
COMPANY NAME	FARMERS WATER CO.	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2006

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2006 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 361,733

THE AMOUNT IN BOX AT LEFT

INCLUDES \$22,552

IN SALES TAXES BILLED, OR COLLECTED)

\*RESIDENTIAL REVENUE REPORTED ON THIS PAGE  
MUST INCLUDE SALES TAXES BILLED.

*Warren E. Culbertson*  
SIGNATURE OF OWNER OR OFFICIAL

(520) 879-7474

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

5

DAY OF

NOTARY PUBLIC NAME <i>Cynthia D. Dominguez</i>	
COUNTY NAME PIMA	
MONTH APRIL	YEAR 2007

(SEAL)

MY COMMISSION EXPIRES

February 22, 2011

X *Cynthia D. Dominguez*  
SIGNATURE OF NOTARY PUBLIC  
OFFICIAL SEAL  
CYNTHIA D. DOMINGUEZ  
Notary Public - State of Arizona  
PIMA COUNTY  
My Comm. Expires Feb. 22, 2011